

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN

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FEDERAL NATIONAL MORTGAGE  
ASSOCIATION,

Plaintiff,

ORDER

17-cv-306-bbc

NORTH COUNTRY ESCAPE LLC,  
UNITED STATES OF AMERICA  
and TAGALONG CONDOMINIUM  
ASSOCIATION,

Defendants.  
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Defendant United States of America has moved for entry of an order directing the Clerk of Court for the United States District Court for the Western District of Wisconsin to disburse to the United States \$177,287.62 in surplus funds on deposit with the court. The motion will be granted.

This case began as an action brought in state court by plaintiff Federal National Mortgage Association, seeking foreclosure on a condominium property owned by defendant North Country Escape LLC, and naming as entities with an interest in the property the Fairways at Tagalong Condominium Association and the United States. According to the United States, its interest in the real property was based on tax liens that arose against Gary and Jacquelyn Haider and continued to attach to the property after the Haiders transferred their interest in it to defendant North Country.

As of August 4, 2017, defendant North Country was in default on its obligations. Counsel for the remaining parties, plaintiff Federal National Mortgage Association and defendant United States agreed that the United States would not oppose a foreclosure action brought by plaintiff, so long as its federal tax liens attached to the property and the United States could exercise its right to redemption. On September 13, 2017, plaintiff moved for judgment against all parties. On January 30, 2018, this court concluded that plaintiff was entitled to enforce its judgment through a sale and that the United States was entitled to redeem on the basis of its federal tax liens filed in Barron County, Wisconsin on September 24, 2014 and December 29, 2014.

Meanwhile, in a case brought by North Country in the United States District Court for the District of Minnesota, North Country Escape LLC v. United States, 15-cv-4169 HB (D. Minn.), the court found that the Haiders' transfer of their interest in the property to defendant North Country was fraudulent. The court found also that a valid tax lien naming North Country as the Haiders' nominee had been filed in Barron County, Wisconsin, on September 15, 2015 and that this federal tax lien was filed for the Haiders' federal tax lien for the tax years 2005 to 2015.

On May 23, 2018, this court entered an order confirming the sale of the North Country property for \$362,000. Of these funds, plaintiff Federal National Mortgage Association received \$184,712.62, in full satisfaction of its mortgage. Defendant United States is entitled to the surplus funds, which amount to \$177,287.62, and represent only a portion of the \$302,358.81 owed by the Haiders for the 2005 to 2010 tax years. No other

party disputes the superiority of the United States' claim to these funds.

ORDER

Accordingly, IT IS ORDERED that the Clerk of Barron County, Wisconsin, disburse to defendant United States of America \$177,287.62 in surplus funds held by the clerk over which the United States has first priority.

Entered this 30th day of October, 2018.

BY THE COURT:

/s/

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BARBARA B. CRABB  
District Judge